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A PUBLICATION FROM THE BONNEVILLE POWER ADMINISTRATION

Journal

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December 1997



Streambank revetments along the Tucannon River in southeastern Washington provide protection from erosion and improve habitat for fish. (<u>Click here</u> for details.)

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How you can get involved

1997 financial reserves at \$430 million

BPA ended fiscal year 1997 with about \$430 million in reserves because of extensive cost-cutting throughout the agency. Last year's reserve level was \$279 million. Reserves, a combination of cash and deferred borrowing, are important as a financial cushion against unpredictable and uncontrollable events. They are especially critical for BPA because, unlike fossil fuels, BPA's clean hydropower depends both on the weather and the needs of migrating fish. BPA's revenues from sales of hydropower can fluctuate by as much as half-a-billion dollars in any given year depending on the weather. Reserves ensure that BPA will be able to cover its costs, including purchasing power when the region needs it and meeting BPA's obligation to U.S. taxpayers by paying its U.S. Treasury debt.

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Instream project will improve fish habitat

Along stretches of the Tucannon, Asotin and Pataha rivers in southeastern Washington, the Columbia, Asotin and Garfield County conservation districts have installed a variety of instream devices that will improve habitat by providing lodging spaces for fish. These devices, made of rock, logs and root wads, are designed to work with the action of the water to scour out deep pools in the riverbed. Deep pools are regarded as a critical feature of productive fish habitat. Pools provide rearing and resting areas for juvenile and adult salmonids.

Different types of revetments, or barricades that support the embankments, were also built to limit flood damage. One method used to deflect and defuse the force of flood water was bioengineered revetments created by using tree branches staked to the embankment. The branches provide spaces for sediment to filter out and this sediment then helps to build up the streambank. Erosion is further reduced by constructing meanders, or curves, that slow the river's flow reducing its force.

The counties consulted with the Natural Resources Conservation Service of the U.S. Department of Agriculture on the project. This work is funded by BPA as part of the Northwest Power Planning Council's Fish and Wildlife Program.

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BPA's Crime Witness Program gains new partner

BPA's well-known neighborhood watch-style crime prevention program has expanded to include facilities owned by the Bureau of Reclamation. Vandalism, theft or other actions against BPA substations, transmission lines and microwave communication systems can directly affect Bureau projects, while similar crimes at Bureau projects can affect BPA's operations. Both agencies see the alliance as the beginning of a regionwide federal initiative in community policing. With the addition of Bureau facilities, the Crime Witness Program will be renamed Pacific Northwest Federal Power System Crime Witness Program. Informants can call toll free 1-800-437-2744 to anonymously report suspicious or criminal activity.

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BPA presents transmission surcharge study to Transition Board

BPA presented a transmission surcharge study to the Transition Board on Nov. 5 at the board's request. BPA is not advocating a transmission surcharge. The study is purely informational and responds to requests from the Transition Board. The agency expects to recover all power-related costs through aggressive cost management and a successful power subscription. BPA does believe that some contingent cost recovery mechanism should be developed in case it is needed. It may be appropriate to consider other mechanisms.

Some of the findings of the study include:

- •A transmission surcharge of up to 2.5 mills per kilowatt-hour could increase BPA net revenues up to \$200 million a year.
- •BPA's transmission rate is 2.5 mills per kWh, among the lowest in the region. A 2.5 mill surcharge would put transmission service costs among the highest in the Northwest.
- •A higher surcharge or one imposed longer would make it economic for utilities to make major investments in new transmission lines, such as a cross-Cascade line, or new generation close to load centers to avoid BPA's grid.
- •Some consumers have no practical near-term alternative to BPA transmission and would be subject to a substantial surcharge.
- •Other customers, representing about 20 percent of existing BPA transmission load, could avoid a surcharge altogether by leaving the grid.
- •Generally, consumers west of the Cascades have fewer opportunities to avoid the BPA grid.
- •Most generation is east of the Cascade Range and crosses the mountains on BPA-owned lines. North-south transmission is also limited.
- •The uneven impact makes transmission surcharge a significant public policy issue to be resolved in the appropriate forums such as the Transition Board and Congress.

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NEEA implements 26 projects in its first year

The Northwest Energy Efficiency Alliance celebrated its first anniversary by going ahead with 10 new energy-saving projects. In its first year, the alliance adopted a total of 26 market transformation projects with a total budget of nearly \$25 million. The energy-saving projects include an energy simulation program for small commercial buildings, an architectural awards program, energy efficiency in publicly assisted housing, industrial motors, refrigerated warehouses, lighting projects, silicon crystal-growing furnaces and irrigation scheduling practices. The projects are expected to save several hundred megawatts of electricity. The alliance is a consortium of electric utilities, state governments, energy

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efficiency businesses and public interest groups with the goal of improving long-term markets for cost-effective energy-efficient products and services. The alliance is chartered through 1999 with up to \$65 million in funding from BPA, Idaho Power, Montana Power, PacifiCorp, Portland General Electric, Puget Sound Energy and Washington Water Power. A list of the funded projects is available at NWEEA's web site at http://www.nwalliance.org

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Fish and wildlife information now on the Internet

The Northwest Power Planning Council develops the Columbia Basin Fish and Wildlife Program. The council is now making the list of recommended projects for the coming year available to the public on its web site. Detailed descriptions for each project include cost estimates, locator maps and project recommendations. The document is available at http://www.nwppc.org (click on fish and wildlife project selection) or go directly to http://www.nwppc.org/projselc.htm where projects are grouped by sub-basins of the Columbia River. The document is called the Annual Implementation Work Plan and is also available by calling the council's office at 1-800-222-3355 and requesting document 97-14.

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NW Congressional members propose legislation

Washington Senator Slade Gorton and Arkansas Senator Dale Bumpers introduced national electricity restructuring legislation recently. Oregon Representatives Bob Smith and Peter DeFazio also introduced a bill. The Gorton/Bumpers bill includes the following prrovisions:

- •Requires that BPA provide access to its transmission system in the same manner as required of investor-owned utilities.
- •Establishes a new standard for Federal Energy Regulatory Commission review of transmission rates to assure that BPA does not establish rates in a manner that would be discriminatory and in effect deny transmission access
- •Creates authority for FERC to establish stranded cost recovery charges for BPA, but in a manner that creates fiscal constraints on BPA.
- •Gives the BPA administrator authority to join an independent system operator.
- •Assures that the transmission access provisions will not be used if they would adversely affect the security of the Supply System bonds.
- •Prohibits BPA from making retail sales.

The Smith/DeFazio bill includes the following:

•Requires that BPA provide access to its transmission system in the same manner as required of IOUs (same as Gorton's bill).

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•Establishes a new standard for FERC review of transmission rates to assure that BPA does not establish rates in a manner that would be discriminatory and in effect deny transmission access (same as Gorton's bill).

- •Establishes limited authority for the BPA administrator, with the approval of FERC, to recover stranded costs up to \$100 million annually, \$600 million total through 2017. The administrator can only use this authority when reserves fall below specified levels and when there is a fish funding agreement in place.
- •Requires the BPA administrator to report to Congress annually on cost control measures deemed necessary to meet market conditions.
- •Gives the BPA administrator the authority to join an independent system operator, after participating in a public process, contingent upon BPA not being expected to pay a disproportionate share of costs and that no undue cost shift occurs between customers.
- •Prohibits the acquisition of any new major (more than 50 MW) resource and prohibits any resource acquisition that could reasonably cause stranded cost.
- •Assures that the transmission access provisions will not be used if they would adversely affect the security of the Supply System bonds.

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Public Involvement

Status Reports

BPA/Lower Valley Transmission Project. Idaho and Wyoming — To resolve a voltage stability problem in the Jackson and Afton, Wyo. areas; new 115-kV line proposed on existing right-of-way. A final EIS is being developed. Call to be added to the mail list.

Big Eddy-Ostrander Vegetation Management EA. Oregon — To control vegetation on two segments of the 500-kV transmission line right-of-way. One segment, about eight miles long, is from Lolo Pass to near Parkdale. The other segment, about one mile long, is east of Parkdale. The Forest Service is a partner and an EA is being prepared. Call to be added to the mail list.

Bonneville-Hood River Vegetation Management EA. Oregon — To control vegetation on the 115-kV transmission line right-of-way between Bonneville Dam and Hood River in the Columbia Gorge Scenic Area. The Forest Service is a partner. An EA is being prepared. Call to be added to the mail list.

Columbia Windfarm #1. Washington — The final EIS (#2682) is available. Call to receive a copy.

Fourmile Hill Geothermal Development Project EIS (Calpine). Northern California — A geothermal power plant and about 24 miles of new transmission line have been proposed on Forest Service land in the Klamath and Modoc forests. The Bureau of Land Management has the lead and BPA is a cooperating agency. The draft EIS is available. Call to receive a copy.

Grande Ronde River Spring Chinook Project. Oregon — Spring chinook supplementation program. An EA is being prepared. Call to be added to the mail list.

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Grizzly Substation Fiber Optic Line Project EA. Oregon — To string about 16 miles of new fiber optic cable along BPA's John Day-Grizzly No. 1 transmission line into the Grizzly Substation. Also to acquire a 50-foot right-of-way along existing county roads on the Crooked River National Grasslands. This right-of-way runs from the Grizzly Substation to the Big Eddy-Redmond No. 1 transmission line, a distance of about 5 miles. An EA is being prepared. Call to be added to the mail list.

Methow Valley Irrigation District EA. Northern Washington — A proposal to convert the open canal irrigation system to pressurized pipes and wells. The EA will be available in mid-December. Call to be added to the mail list.

Northwest Regional Power Facility. Washington — To construct a combustion turbine near Creston. The final EIS (#2887) and a Supplement Analysis is available. Call to receive a copy.

Telephone Flats Geothermal Project EIS (Calenergy). Northern California — A geothermal power plant and about 21 miles of new transmission line have been proposed on Forest Service land in the Modoc Forest. The Bureau of Land Management has the lead and BPA is a cooperating agency. The draft EIS is being prepared. Call to be added to the mail list.

Upper Snake River Fish Culture Facility. Idaho — A proposal to purchase a tribal hatchery for redevelopment of Yellowstone cutthroat and redband trout. An EA is being prepared. Call to be added to the mail list.

Vegetation Management Program EIS. Regionwide — To develop a vegetation management program that is cost-effective, consistent, efficient and environmentally sensitive while maintaining a safe and reliable transmission system. The Forest Service and Bureau of Land Management are cooperating agencies. The draft EIS is being prepared. Call to be added to the mail list.

Yakima River Basin Water Enhancement Project Programmatic EIS. Washington — The Bureau of Reclamation is taking the lead on this project. BPA is a cooperating agency. The draft programmatic EIS is being prepared. For further information, contact John Tiedeman, BOR, at (509) 575-5848 ext. 238.

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Calendar of Events

Regional Workshop on Future Fish/Wildlife Funding: **Dec. 12, 9 a.m. - 4 p.m.,** Pacific Northwest Power Planning Council, 851 SW 6th Ave., Portland, Ore. Call Mike Hansen, (503) 230-4328 for more information.

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Acronyms:

EA: Environmental Assessment

EIS: Environmental Impact Statement FONSI: Finding of No Significant Impact

NOI: Notice of Intent ROD: Record of Decision BPA Journal Page 7 of 7

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We welcome all comments from you at Journal-CKC, Bonneville Power Administration, P.O. Box 3621, Portland, OR 97208-3621 or *enballa@bpa.gov*.

For More Information or To Get Involved:

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